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DOS review completed

GENERAL

1. Possible extension of UK-mandate in Palestine—The US delegation to the UN has learned from UK representative Beeley that the UK Foreign Office views unfavorably the US proposal for a ten-day extension of the Palestine mandate. Beeley indicated that, aside from the difficulties in amending existing legislation and dealing with British public opinion, the UK contends that: (a) only the 15 May deadline has brought the parties to the "point of even considering a truce"; and (b) an extension of the mandate might be misinterpreted in the light of recent British troop reinforcements in Palestine. According to Beeley, the Foreign Office believes that the Jews are now more intransigent on the subject of a possible truce than the Arabs and there is greater need for pressure on the Jews.

US Ambassador Douglas in London interprets Foreign Minister Bevin's 4 May statement to the House of Commons as indicative of the UK Government's willingness to consider a short term continuation of its responsibilities in Palestine provided that: (a) the UN General Assembly approves the US proposal; (b) an unconditional cease-fire is effected; and (c) a truce is accepted. Douglas is convinced that the UK will not assume a position which would involve the continuation of undivided responsibility.

EUROPE

2. FRANCE: Opposition to Gaullist-Schuman "deal" -- US Ambassador Caffery has been informed by a leader of the Radical-Socialist Party that Radical-Socialist circles are cool toward the idea of cooperation between De Gaulle and Schuman. Caffery was told that such a "deal" would cause the Socialists to withdraw their support from Schuman and thus precipitate a serious crisis and the fall of the Schuman Government. The Radical-Socialist leader feels that such a development would be foolish, in view of the present government's great efforts and its chances of succeeding."

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(CIA Comment: Because the Radical-Socialists at e probably the government elements most susceptible to Gaillist influence, their coolness toward Gaullist maneuverings will eliminate a threat to cabinet solidarity during the next few weeks.)

3. GERMANY: Food protest strikes spreading—Acting Political Adviser Chase reports from Berlin that 40,000 Hennover metal and rubber workers have gone out on food strikes, and that the trade unions of transport, chemical, ceramics, paper, agricultural, and public service workers in the British Zone have declared solidarity with the aims of the strikers and are considering whether to call a general strike without a time limit for all of lower Saxony. Chase adds that 25,000 metal workers in Augsburg, Nuremburg, and Munich, who went on strike on May in protest against food cuts, are continuing their strike delipite union opposition.

(CIA Comment: CIA believes that strikes protesting against the food situation will continue to spread despite trade union opposition.)

NEAR EAST-AFRICA

4. PALESTINE: Difficulties faced by Arabs and Jevs--US Consul General Wasson in Jerusalem transmits the opinion of General McMillan (the British commander in Palestine) that the Palestinian Arab forces "are in bad shape and need a breathing i pace." McMillan believes that the Arabs would accept a truce if they are "handled firmly" and given terms for acceptance without an opportunity for endless discussions. McMillan consider: it "not unlikely" that Transjordan troops will move into the Arab areas of Palestine after the mandate ends but believes that King Abdullah will avoid risking his army in battle with the Jews.

The British Colonial Office has informed U3 Embasisy London that, although the Jews have had successes in Palestine, the Jewish Agency is concerned over its limited supply of gisoline



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and the terrific economic burden which the fighting is imporing on the Jewish state. The Colonial Office also reports that the "Nazi-like controls" over all phases of Jewish life are cauding resentment among the Jews.

FAR EAST

5. CHINA: New Communist offensive in Manchuria -- US Constituted Ward in Mukden has been informed by the National St Commander in Manchuria that a general coordinated Communist offensive in Manchuria and China will commence in the near future. The Nationalist Commander estimates that the offensive in Manchuria will move southwestward toward North China with the aim of destroying the Government's remaining railroad communications. The Consul General adds that the Nationalists can successfully defend either Mukden or Changchun against Communist attack.

(CIA Comment: The impending Communist offensite in Manchuria is expected to be more powerful and broader in scope than previous efforts because newly developed rear area rail support has given the Communists greater mobility and striking power. Nationalist optimism concerning their ability to hold Mukden and Changchun may prove ill-founded if the Communists launch a determined assault on these points.)